

**Groupon, Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands, except share and per share amounts)  
(unaudited)

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 118,145	\$ 281,279
Accounts receivable, net	35,206	44,971
Prepaid expenses and other current assets	38,989	41,101
Total current assets	192,340	367,351
Property, equipment and software, net	43,486	56,731
Right-of-use assets - operating leases, net	6,012	12,127
Goodwill	178,685	178,685
Intangible assets, net	14,568	17,641
Investments	119,541	119,541
Deferred income taxes	13,830	13,550
Other non-current assets	18,772	27,491
<b>Total assets</b>	<b>\$ 587,234</b>	<b>\$ 793,117</b>
<b>Liabilities and equity</b>		
Current liabilities:		
Short-term borrowings	\$ 46,700	\$ 75,000
Accounts payable	20,117	59,568
Accrued merchant and supplier payables	178,119	225,420
Accrued expenses and other current liabilities	119,224	171,452
Total current liabilities	364,160	531,440
Convertible senior notes, net	225,693	224,923
Operating lease obligations	5,211	9,310
Other non-current liabilities	16,997	18,586
<b>Total liabilities</b>	<b>612,061</b>	<b>784,259</b>
Commitment and contingencies		
<b>Stockholders' equity (deficit)</b>		
Common stock, par value \$0.0001 per share, 100,500,000 shares authorized; 41,521,134 shares issued and 31,227,017 shares outstanding at June 30, 2023; 40,786,996 shares issued and 30,492,879 shares outstanding at December 31, 2022	4	4
Additional paid-in capital	2,331,036	2,322,672
Treasury stock, at cost, 10,294,117 shares at June 30, 2023 and December 31, 2022	(922,666)	(922,666)
Accumulated deficit	(1,436,231)	(1,394,477)
Accumulated other comprehensive income (loss)	2,839	2,942
<b>Total Groupon, Inc. stockholders' equity (deficit)</b>	<b>(25,018)</b>	<b>8,475</b>
Noncontrolling interests	191	383
<b>Total equity (deficit)</b>	<b>(24,827)</b>	<b>8,858</b>
<b>Total liabilities and equity (deficit)</b>	<b>\$ 587,234</b>	<b>\$ 793,117</b>

**Groupon, Inc.**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except share and per share amounts)  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	\$ 129,109	\$ 153,216	\$ 250,720	\$ 306,536
Cost of revenue	16,144	19,244	33,044	38,563
Gross profit	<u>112,965</u>	<u>133,972</u>	<u>217,676</u>	<u>267,973</u>
Operating expenses:				
Marketing	22,267	29,372	47,115	68,788
Selling, general and administrative	96,263	123,938	197,897	250,358
Goodwill impairment	—	35,424	—	35,424
Long-lived asset impairment	—	8,811	—	8,811
Restructuring and related charges	(689)	2,939	8,105	3,251
Total operating expenses	<u>117,841</u>	<u>200,484</u>	<u>253,117</u>	<u>366,632</u>
<b>Income (loss) from operations</b>	<b>(4,876)</b>	<b>(66,512)</b>	<b>(35,441)</b>	<b>(98,659)</b>
Other income (expense), net	(4,805)	(21,340)	(1,735)	(26,220)
<b>Income (loss) before provision (benefit) for income taxes</b>	<b>(9,681)</b>	<b>(87,852)</b>	<b>(37,176)</b>	<b>(124,879)</b>
Provision (benefit) for income taxes	2,323	2,398	3,441	(277)
<b>Net income (loss)</b>	<b>(12,004)</b>	<b>(90,250)</b>	<b>(40,617)</b>	<b>(124,602)</b>
Net (income) loss attributable to noncontrolling interests	(603)	(977)	(1,137)	(1,477)
<b>Net income (loss) attributable to Groupon, Inc.</b>	<b><u>\$ (12,607)</u></b>	<b><u>\$ (91,227)</u></b>	<b><u>\$ (41,754)</u></b>	<b><u>\$ (126,079)</u></b>
Basic and diluted net income (loss) per share:	\$ (0.41)	\$ (3.04)	\$ (1.36)	\$ (4.21)
Basic and diluted weighted average number of shares outstanding:	31,020,493	30,039,233	30,796,943	29,952,018

**Groupon, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(in thousands) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>Operating activities</b>				
Net income (loss)	\$ (12,004)	\$ (90,250)	\$ (40,617)	\$ (124,602)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization of property, equipment and software	11,173	14,358	23,560	29,558
Amortization of acquired intangible assets	2,070	2,136	4,188	4,305
Impairment of Goodwill	—	35,424	—	35,424
Impairment of long-lived assets	—	8,811	—	8,811
Restructuring-related impairment	—	1,180	—	1,180
Stock-based compensation	7,519	8,572	9,882	16,078
Foreign currency (gains) losses, net	3,928	18,151	(159)	21,509
Change in assets and liabilities:				
Accounts receivable	2,144	5,730	10,463	(10,233)
Prepaid expenses and other current assets	1,891	2,682	5,384	590
Right-of-use assets - operating leases	2,181	4,649	6,189	9,258
Accounts payable	(7,354)	(1,015)	(39,427)	6,073
Accrued merchant and supplier payables	(18,980)	(19,001)	(48,447)	(54,905)
Accrued expenses and other current liabilities	(31,339)	(17,701)	(30,557)	(36,067)
Operating lease obligations	(7,504)	(6,184)	(15,743)	(13,831)
Payment for early lease termination	(123)	—	(9,724)	—
Other, net	4,088	2,266	6,378	(1,504)
<b>Net cash provided by (used in) operating activities</b>	<b>(42,310)</b>	<b>(30,192)</b>	<b>(118,630)</b>	<b>(108,356)</b>
<b>Investing activities</b>				
Purchases of property and equipment and capitalized software	(2,253)	(9,148)	(11,797)	(22,149)
Proceeds from sale of assets	387	—	1,475	—
Acquisitions of intangible assets and other investing activities	(617)	(631)	(1,174)	(1,546)
<b>Net cash provided by (used in) investing activities</b>	<b>(2,483)</b>	<b>(9,779)</b>	<b>(11,496)</b>	<b>(23,695)</b>
<b>Financing activities</b>				
Payments of borrowings under revolving credit agreement	(1,000)	(40,000)	(28,300)	(40,000)
Taxes paid related to net share settlements of stock-based compensation awards	(1,187)	(2,180)	(2,194)	(4,703)
Other financing activities	(752)	(1,160)	(1,642)	(1,601)
<b>Net cash provided by (used in) financing activities</b>	<b>(2,939)</b>	<b>(43,340)</b>	<b>(32,136)</b>	<b>(46,304)</b>
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash</b>	<b>2,115</b>	<b>(3,937)</b>	<b>1,967</b>	<b>(4,708)</b>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(45,617)</b>	<b>(87,248)</b>	<b>(160,295)</b>	<b>(183,063)</b>
Cash, cash equivalents and restricted cash, beginning of period	167,018	403,668	281,696	499,483
Cash, cash equivalents and restricted cash, end of period	<u>\$ 121,401</u>	<u>\$ 316,420</u>	<u>\$ 121,401</u>	<u>\$ 316,420</u>

**Groupon, Inc.**  
**Supplemental Financial and Operating Metrics**  
(dollars and units in thousands; TTM active customers in millions)  
(unaudited)

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q2 2023		
<b>North America Segment:</b>								
Gross billings <sup>(1)</sup> :						<b>Y/Y Growth</b>		
Local	\$ 265,114	\$ 248,929	\$ 256,627	\$ 221,746	\$ 231,950	(12.5)	%	
Travel	21,692	21,118	18,164	20,649	21,630	(0.3)		
Goods	30,462	28,334	37,858	23,759	22,256	(26.9)		
Total gross billings	<u>\$ 317,268</u>	<u>\$ 298,381</u>	<u>\$ 312,649</u>	<u>\$ 266,154</u>	<u>\$ 275,836</u>	(13.1)	%	
Revenue:								
Local	\$ 101,469	\$ 97,843	\$ 94,216	\$ 81,379	\$ 85,475	(15.8)	%	
Travel	4,451	4,065	3,570	2,815	5,579	25.3		
Goods	6,204	5,978	8,309	5,065	4,780	(23.0)		
Total revenue	<u>\$ 112,124</u>	<u>\$ 107,886</u>	<u>\$ 106,095</u>	<u>\$ 89,259</u>	<u>\$ 95,834</u>	(14.5)	%	
Gross profit:								
Local	\$ 87,592	\$ 84,455	\$ 81,951	\$ 69,992	\$ 74,463	(15.0)	%	
Travel	3,355	3,057	2,796	1,830	4,647	38.5		
Goods	4,956	4,836	6,909	4,120	3,983	(19.6)		
Total gross profit	<u>\$ 95,903</u>	<u>\$ 92,348</u>	<u>\$ 91,656</u>	<u>\$ 75,942</u>	<u>\$ 83,093</u>	(13.4)	%	
Contribution profit <sup>(2)</sup>	\$ 76,274	\$ 65,972	\$ 61,790	\$ 60,639	\$ 68,646	(10.0)	%	
<b>International Segment:</b>						<b>Q2 2023</b>		
Gross billings:						<b>Y/Y Growth</b>	<b>Fx Effect</b>	<b>Y/Y Growth excluding FX <sup>(3)</sup></b>
Local	\$ 96,784	\$ 96,592	\$ 109,156	\$ 93,800	\$ 87,688	(9.4)	(0.8)	(10.2) %
Travel	15,252	13,374	14,249	14,215	9,934	(34.9)	(0.7)	(35.6)
Goods	30,861	25,509	32,143	22,256	20,000	(35.2)	(1.3)	(36.5)
Total gross billings	<u>\$ 142,897</u>	<u>\$ 135,475</u>	<u>\$ 155,548</u>	<u>\$ 130,271</u>	<u>\$ 117,622</u>	(17.7)	(0.9)	(18.6) %
Revenue:								
Local	\$ 32,111	\$ 30,089	\$ 32,945	\$ 25,265	\$ 27,374	(14.8)	(0.7)	(15.5) %
Travel	3,233	1,956	2,363	2,841	2,172	(32.8)	(1.2)	(34.0)
Goods	5,748	4,459	6,756	4,246	3,729	(35.1)	(1.3)	(36.4)
Total revenue	<u>\$ 41,092</u>	<u>\$ 36,504</u>	<u>\$ 42,064</u>	<u>\$ 32,352</u>	<u>\$ 33,275</u>	(19.0)	(0.9)	(19.9) %
Gross profit:								
Local	\$ 29,435	\$ 27,415	\$ 30,244	\$ 22,642	\$ 24,959	(15.2)	(0.8)	(16.0) %
Travel	2,886	1,625	2,032	2,469	1,916	(33.6)	(1.3)	(34.9)
Goods	5,748	4,334	5,197	3,658	2,997	(47.9)	(1.0)	(48.9)
Total gross profit	<u>\$ 38,069</u>	<u>\$ 33,374</u>	<u>\$ 37,473</u>	<u>\$ 28,769</u>	<u>\$ 29,872</u>	(21.5)	(0.9)	(22.4) %
Contribution profit	\$ 28,326	\$ 21,853	\$ 24,793	\$ 19,224	\$ 22,052	(22.1)		%
<b>Consolidated Results of Operations:</b>								
Gross billings:								
Local	\$ 361,898	\$ 345,521	\$ 365,783	\$ 315,546	\$ 319,638	(11.7)	(0.2)	(11.9) %
Travel	36,944	34,492	32,413	34,864	31,564	(14.6)	(0.3)	(14.9)
Goods	61,323	53,843	70,001	46,015	42,256	(31.1)	(0.7)	(31.8)
Total gross billings	<u>\$ 460,165</u>	<u>\$ 433,856</u>	<u>\$ 468,197</u>	<u>\$ 396,425</u>	<u>\$ 393,458</u>	(14.5)	(0.3)	(14.8) %
Revenue:								
Local	\$ 133,580	\$ 127,932	\$ 127,161	\$ 106,644	\$ 112,849	(15.5)	(0.2)	(15.7) %
Travel	7,684	6,021	5,933	5,656	7,751	0.9	(0.5)	0.4
Goods	11,952	10,437	15,065	9,311	8,509	(28.8)	(0.6)	(29.4)
Total revenue	<u>\$ 153,216</u>	<u>\$ 144,390</u>	<u>\$ 148,159</u>	<u>\$ 121,611</u>	<u>\$ 129,109</u>	(15.7)	(0.3)	(16.0) %
Gross profit:								
Local	\$ 117,027	\$ 111,870	\$ 112,195	\$ 92,634	\$ 99,422	(15.0)	(0.2)	(15.2) %
Travel	6,241	4,682	4,828	4,299	6,563	5.2	(0.6)	4.6
Goods	10,704	9,170	12,106	7,778	6,980	(34.8)	(0.6)	(35.4)
Total gross profit	<u>\$ 133,972</u>	<u>\$ 125,722</u>	<u>\$ 129,129</u>	<u>\$ 104,711</u>	<u>\$ 112,965</u>	(15.7)	(0.2)	(15.9) %
Contribution profit	\$ 104,600	\$ 87,825	\$ 86,583	\$ 79,863	\$ 90,698	(13.3)		%
Net cash provided by (used in) operating activities	\$ (30,192)	\$ (43,494)	\$ 15,863	\$ (76,320)	\$ (42,310)	(40.1)		%
Free cash flow	\$ (39,340)	\$ (51,840)	\$ 10,190	\$ (85,864)	\$ (44,563)	(13.3)		%

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Active customers: <sup>(4)</sup>					
North America	13.1	12.3	11.3	10.9	10.6
International	8.0	7.9	7.5	7.3	6.9
Total active customers	21.1	20.2	18.8	18.2	17.5
North America Units:					
Local	6,355	6,043	6,407	5,142	5,083
Goods	1,141	1,119	1,579	933	807
Travel	91	91	82	86	84
Total North America units	7,587	7,253	8,068	6,161	5,974
International Units:					
Local	3,181	3,900	3,971	3,328	2,862
Goods	1,205	1,046	1,488	886	746
Travel	79	79	91	84	53
Total International units	4,465	5,025	5,550	4,298	3,661
Consolidated Units:					
Local	9,536	9,943	10,378	8,470	7,945
Goods	2,346	2,165	3,067	1,819	1,553
Travel	170	170	173	170	137
Total consolidated units	12,052	12,278	13,618	10,459	9,635
Headcount:					
Sales <sup>(5)</sup>	974	799	783	746	706
Other	2,442	2,278	2,121	2,032	1,945
Total headcount	3,416	3,077	2,904	2,778	2,651

(1) Represents the total dollar value of customer purchases of goods and services.

(2) Represents gross profit less marketing expense.

(3) Represents the change in financial measures that would have resulted had average exchange rates in the reporting periods been the same as those in effect in the prior year periods.

(4) Reflects the total number of unique user accounts that have made a purchase during the TTM either through one of our online marketplaces or directly with a merchant for which we earned a commission.

(5) Includes merchant sales representatives, as well as sales support personnel.

**Groupon, Inc.**  
**Non-GAAP Reconciliation Schedules**  
(in thousands, except share and per share amounts)  
(unaudited)

The following is a quarterly reconciliation of Adjusted EBITDA to the most comparable U.S. GAAP performance measure, Net income (loss):

	<u>Q2 2022</u>	<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>
<b>Net income (loss)</b>	\$ (90,250)	\$ (55,543)	\$ (54,235)	\$ (28,613)	\$ (12,004)
Adjustments:					
Stock-based compensation	8,572	8,116	5,812	2,363	7,519
Depreciation and amortization	16,494	14,706	14,094	14,505	13,243
Goodwill impairment	35,424	—	—	—	—
Long-lived asset impairment	8,811	—	3,448	—	—
Restructuring and related charges <sup>(1)</sup>	2,939	4,912	4,187	8,794	(689)
Other (income) expense, net	21,340	23,541	(25,606)	(3,070)	4,805
Provision (benefit) for income taxes	2,398	(4,328)	47,015	1,118	2,323
Total adjustments	95,978	46,947	48,950	23,710	27,201
<b>Adjusted EBITDA</b>	<u>\$ 5,728</u>	<u>\$ (8,596)</u>	<u>\$ (5,285)</u>	<u>\$ (4,903)</u>	<u>\$ 15,197</u>

- (1) Restructuring and related charges includes \$1.2 million of long-lived asset impairment for the three months ended June 30, 2022, and \$1.8 million for the three months ended September 30, 2022.

The following is a reconciliation of Non-GAAP net income (loss) attributable to common stockholders to Net income (loss) attributable to common stockholders and a reconciliation of Non-GAAP net income (loss) per share to Diluted net income (loss) per share for the three and six months ended June 30, 2023 and 2022.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>Net income (loss) attributable to common stockholders</b>	\$ (12,607)	\$ (91,227)	\$ (41,754)	\$ (126,079)
Less: Net income (loss) attributable to noncontrolling interest	(603)	(977)	(1,137)	(1,477)
<b>Net income (loss)</b>	(12,004)	(90,250)	(40,617)	(124,602)
Less: Provision (benefit) for income taxes	2,323	2,398	3,441	(277)
<b>Income (loss) before provision (benefit) for income taxes</b>	(9,681)	(87,852)	(37,176)	(124,879)
Stock-based compensation	7,519	8,572	9,882	16,078
Amortization of acquired intangible assets	2,070	2,136	4,188	4,305
Goodwill impairment	—	35,424	—	35,424
Long-lived asset impairment	—	8,811	—	8,811
Restructuring and related charges	(689)	2,939	8,105	3,251
Intercompany foreign currency losses (gains), foreign currency translation adjustments reclassified into earnings and other	3,859	22,240	(673)	25,776
Non-cash interest expense on convertible senior notes	386	379	770	757
<b>Non-GAAP income (loss) before provision (benefit) for income taxes</b>	3,464	(7,351)	(14,904)	(30,477)
Less: Non-GAAP provision (benefit) for income taxes	5,965	1,816	6,942	2,123
<b>Non-GAAP net income (loss)</b>	(2,501)	(9,167)	(21,846)	(32,600)
Net (income) loss attributable to noncontrolling interest	(603)	(977)	(1,137)	(1,477)
<b>Non-GAAP net income (loss) attributable to common stockholders</b>	<u>(3,104)</u>	<u>(10,144)</u>	<u>(22,983)</u>	<u>(34,077)</u>
Weighted-average shares of common stock - diluted	31,020,493	30,039,233	30,796,943	29,952,018
Impact of dilutive securities	—	—	—	—
Weighted-average shares of common stock - non-GAAP	<u>31,020,493</u>	<u>30,039,233</u>	<u>30,796,943</u>	<u>29,952,018</u>
<b>Diluted net income (loss) per share</b>	\$ (0.41)	\$ (3.04)	\$ (1.36)	\$ (4.21)
Impact of non-GAAP adjustments and related tax effects	0.31	2.70	0.61	3.07
<b>Non-GAAP diluted net income (loss) per share</b>	<u>\$ (0.10)</u>	<u>\$ (0.34)</u>	<u>\$ (0.75)</u>	<u>\$ (1.14)</u>

- (1) Adjustment to interest expense for assumed conversion of convertible senior notes excludes non-cash interest expense that has been added back above in calculating Non-GAAP net income (loss) attributable to common stockholders.

Free cash flow is a non-GAAP liquidity measure. The following is a reconciliation of free cash flow to the most comparable U.S. GAAP liquidity measure, Net cash provided by (used in) operating activities.

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Net cash provided by (used in) operating activities	\$ (30,192)	\$ (43,494)	\$ 15,863	\$ (76,320)	\$ (42,310)
Purchases of property and equipment and capitalized software	(9,148)	(8,346)	(5,673)	(9,544)	(2,253)
Free cash flow	\$ (39,340)	\$ (51,840)	\$ 10,190	\$ (85,864)	\$ (44,563)
Net cash provided by (used in) investing activities	\$ (9,779)	\$ (8,877)	\$ (6,273)	\$ (9,013)	\$ (2,483)
Net cash provided by (used in) financing activities	\$ (43,340)	\$ 48,811	\$ (36,915)	\$ (29,197)	\$ (2,939)